



London Hydro Inc.

Annual General Meeting

For the Financial Year Ending December 31, 2023

May 28, 2024

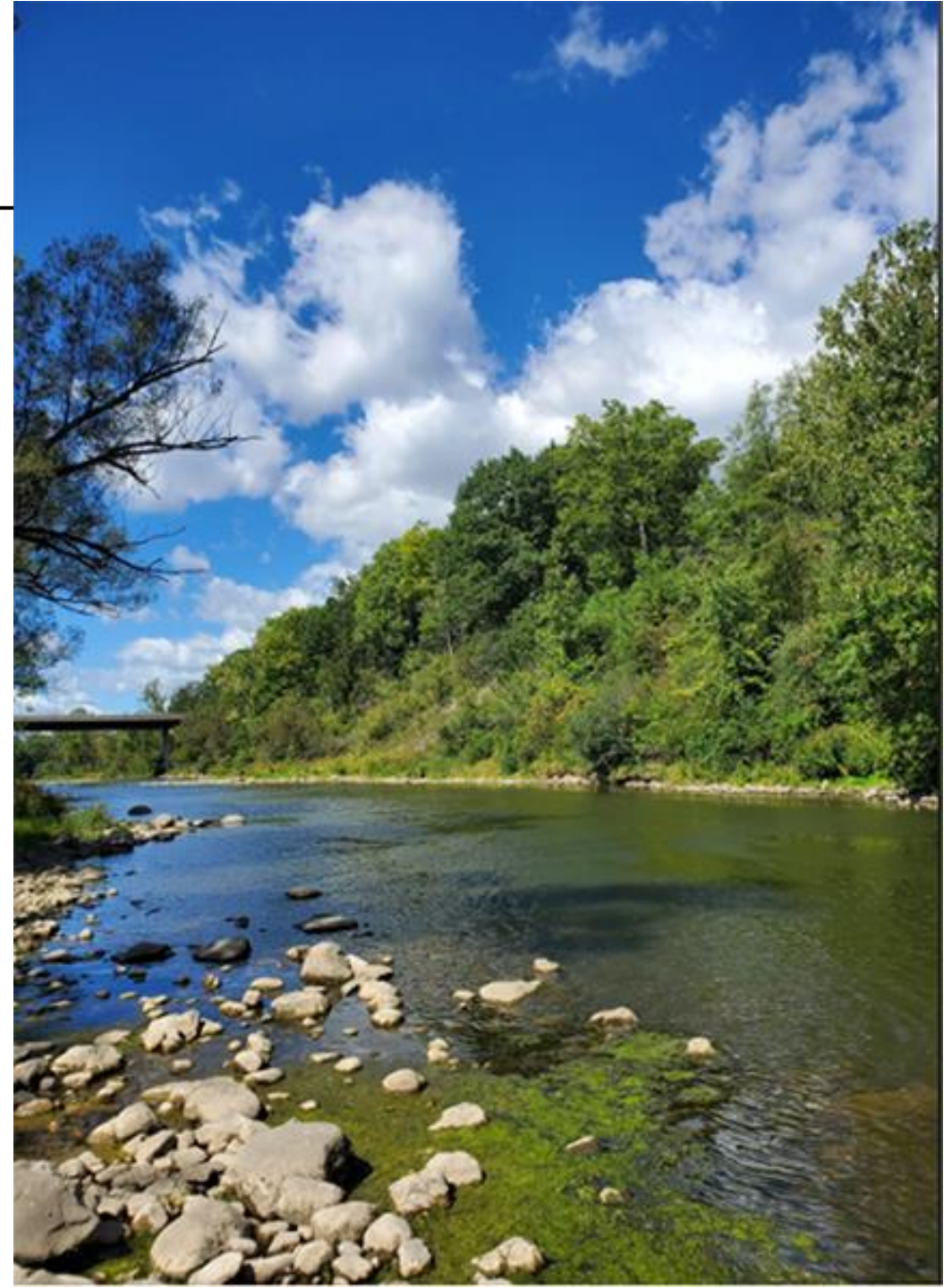


London Hydro Land Acknowledgment

We wish to acknowledge that we are on the traditional territory of many Nations. The Attawandaron Peoples once settled in this region alongside the Anishinaabeg and Haudenosaunee Peoples and used this land as their traditional hunting grounds.

Today, the Anishinaabeg Peoples including Ojibway, Odawa, and Pottawatomi Nations; the Leni-Lunape Peoples including the Delaware and Munsee-Delaware; and the Haudenosaunee Peoples including the Mohawk, Oneida, Cayuga, Onondaga, Seneca, and Tuscarora Nation live in southern Ontario.

The three Indigenous Nations communities closest to London are the Chippewas of the Thames First Nation, the Munsee-Delaware Nation and the Oneida Nation of the Thames.





Board Of Directors

Connie Graham, BSc, ICD.D - *Chair*

Andy Hrymak, BEng, PhD - *Vice-Chair*

Corrine Rahman, HBA, MA

Tania Goodine, BA, MBA

Tracy Gustafson, CPA, CA

Guy Holburn, MA, PhD

Tim Watson, CFA, ICD.D

Senior Management

Vinay Sharma, PEng, PhD, FCAE, CDir
CEO

Allan Van Damme, PEng, CPA, CMA
VP Engineering & Construction

David Arnold, BSc, MAcc, CPA, CA
CFO, VP Finance & Corporate Secretary

Syed Mir, BSc
CIO & VP Corporate Services

Elizabeth Carswell, BA, MA, BEd
VP HR & Strategic Planning

Jac Vanderbaan, PEng, CPA, CMA
VP Operations & Planning



London Hydro Has Successfully Lived Out Its Purpose And Delivered On Its Vision

PURPOSE To deliver safe, reliable electricity and related services.

VISION London Hydro is a high performing electricity distributor, achieved through innovation, customer focus and operational excellence.



Operational Excellence



Operational Excellence

2023 Highlights

\$476 M Total Revenue	\$80 M Distribution Revenue	\$40 M Infrastructure Investment	\$11 M Technology Investment
\$5.5 M Shareholder Dividend	\$12 M Net Income	7.5% Return on Deemed Equity (OEB Benchmark)	\$598 M Total Assets \$225 M Shareholder Equity
\$200,000 Support for Low Income Customers	\$26,000 Employees' Contribution to Charities	> 90% Customer Satisfaction Rating	A/Stable S&P Credit Rating
1,100 New Customers 167,000 Total Customers	100,000 Digital Customers	84,000 E-Bills	113.4 MW DERs 479 # of Generators
SAIFI ~ 1 SAIDI < 1 Highly Reliable Grid	3rd Lowest Cost Among Peer & Neighbouring Utilities	First 9 MW Solar Community Net Metering Project (West 5)	2MW-hour Battery/Solar Microgrid

Powering London.
Empowering You.

Operational Excellence (cont'd)

Financial Performance

Financial Highlights (\$ in millions)	2023 Actual	2022 Actual
Distribution Revenue	79.8	75.3
Net Earnings (excluding MTM)	11.9	11.3
Return on Shareholder's Equity (excluding MTM)	5.9%	5.9%
Annual Investments		
Capital Assets	50.9	46.4
Financial Position:		
Total Assets	598.2	566.6
Shareholder's Equity	225.0	223.2
Distributions to the City of London:		
Dividends Declared	5.0	5.0
S&P Credit Rating	A	A

Operational Excellence (cont'd)

1. Continually evolving as an end-to-end digital utility to provide:
 - Customer convenience – 100,000 customers use on-line tools.
 - Fast network recovery – minimal outage duration from increased automation.
 - Cost-efficient operation – third lowest cost utility among peers and neighbouring utilities.
2. Exceeded Ontario Energy Board's performance benchmarks.
3. Continuous improvement in our cyber security systems – London Hydro complies with the Ontario Energy Board's cyber security requirements.



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Empowering You.

Operational Excellence (cont'd)

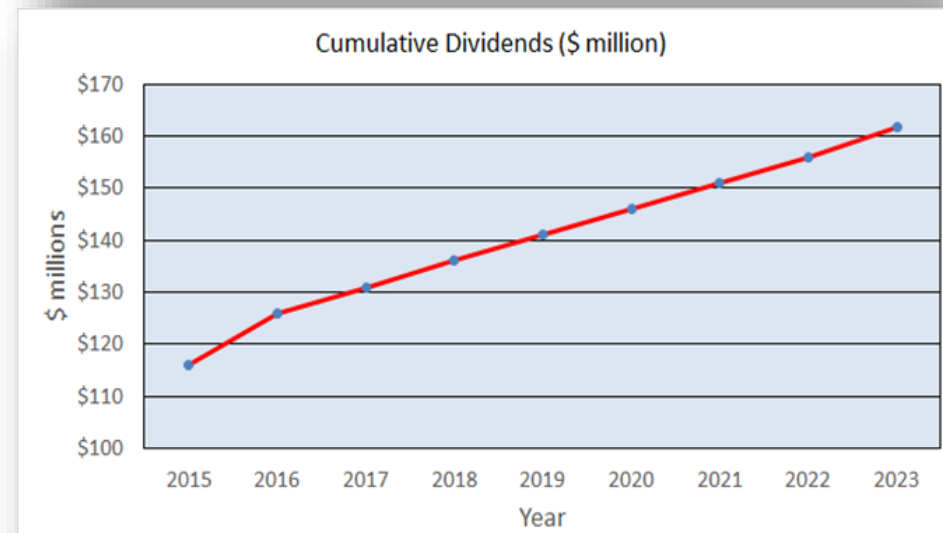
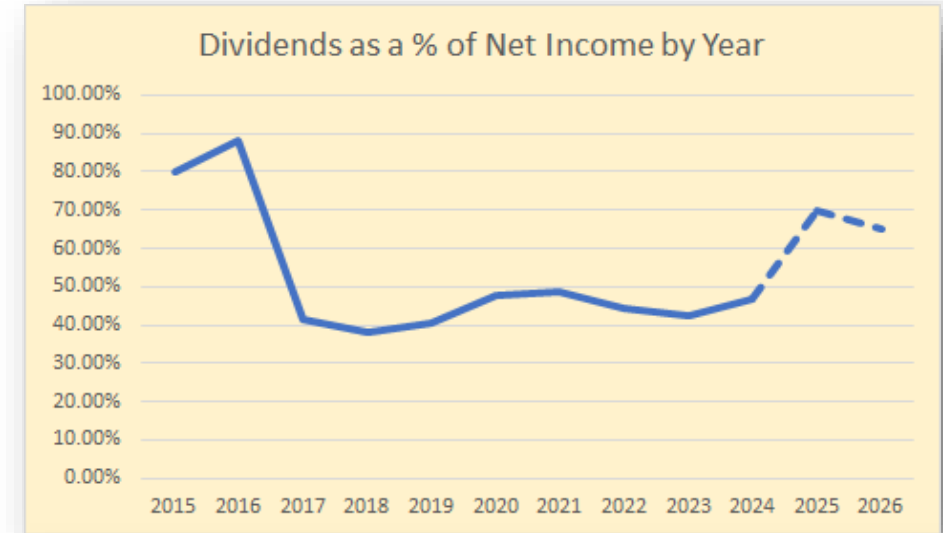
ESG & DEI Policies And Programs Aligning With Shareholder Priorities

1. ESG policy has been established, which is to ensure our commitment to safeguarding the environment, be a strong community partner, and practice transparent and sound governance.
 - New governance policies established to enhance accountability and transparency.
 - Established programs to enhance relationship with Indigenous communities including encouragement of Indigenous businesses in our procurement process.
 - Presently, London Hydro is working on developing its benchmark ESG performance indicators.
2. London Hydro has established a DEI policy, which is to ensure our commitment to fostering a corporate culture and climate that values a diverse, equitable and inclusive organization.

Operational Excellence (cont'd)

Dividend Performance

1. Shareholder Declaration requires at minimum 40% net earnings be paid out to the Shareholder as a dividend.
2. Between 2015 and 2023, London Hydro has paid 52.3% (\$55M in dividends) of net income as dividends.
 - 2015/2016 – Total \$10M special dividend
3. Dividend Announcement
 - 2024 – Special dividend
 - 2025, 2026 – Increased annual dividend
 - 2027 – Reassess after Ontario Energy Board rate adjustment





Customer & Community

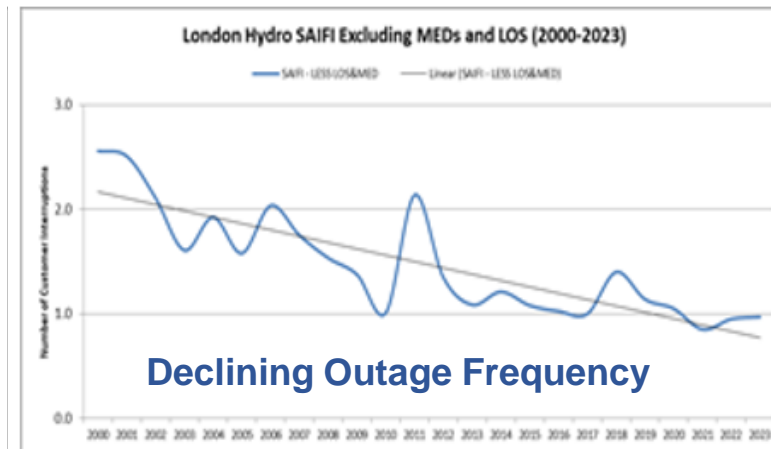
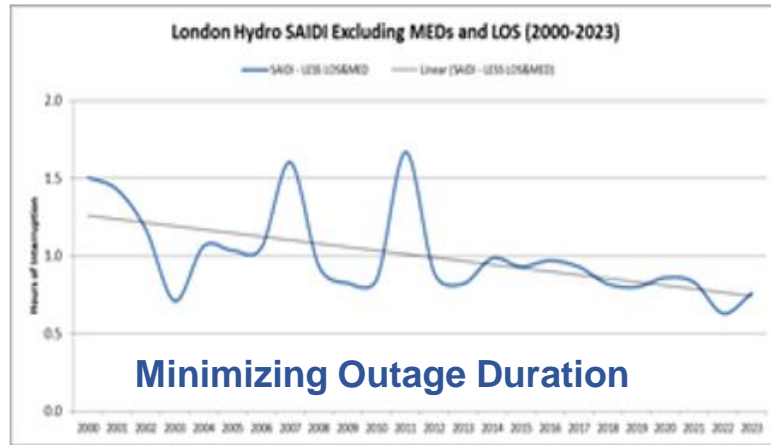


Customer & Community

London Hydro Delivers Value

1. Highly reliable and resilient grid...

...at very competitive costs.



London Hydro is a highly efficient utility operating a resilient and reliable grid.

Powering London.
Empowering You.

Customer & Community (cont'd)

2. Excellent customer satisfaction rating.

- 91% - Residential customers
- 93% - C&I customers

3. London Hydro provides \$200,000 annually to support low-income assistance programs.

4. London Hydro and its employees raised over \$26,000 for local charities.





Innovation

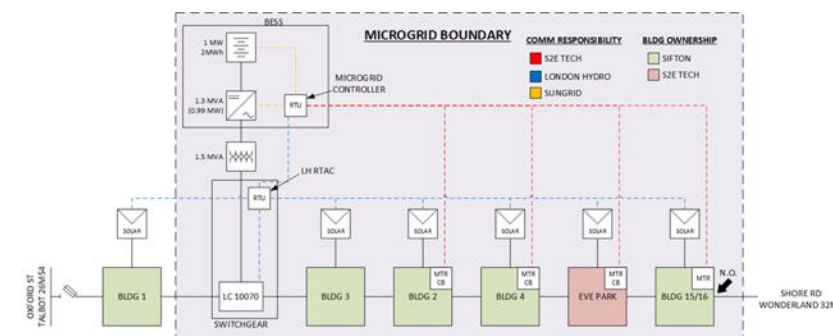
Green Button Ecosystem For Customers To Conserve Energy And Take Climate Change Initiative

1. Green Button ecosystem is made up of two components:
 - a. **Green Button standard platform** – standardization of utilities' legacy data.
 - b. **Green Button applications** – to help customers manage energy and undertake energy conservation initiatives.
2. Green Button standard platform is a universal, economical and efficient system.
3. London Hydro has led the development of this ecosystem since 2013 and is a leader across Ontario, Canada and North America.
4. For London Hydro customers, we have also deployed Green Button applications such as Trickl and Commerce for residential and industrial customers respectively.
5. Although the Green Button system is in its early stage, this is an enabling technology for energy conservation and management as our customers seek to take steps in regards to climate change.

Innovation (cont'd)

Launch Of West 5 Net Zero Community

1. First community-wide net meter project in West 5 to optimize the community sharing of renewable energy generated locally.
2. 1MW (2MWh) battery and solar PV microgrid for managing the peak electricity demand and provide some insurance against outages.
3. Community Net Metering and Microgrid investment in West 5 was approximately \$12.4M with an \$8.2M grant from the Federal Government and the remainder from the development partners.



An Ontario first microgrid for the benefit of the utility.

Innovation (cont'd)

EVE Park, London, Canada



Gensler/Studio Dror

Advertised to potential buyers as an “all-electric community powered by the sun,” Canada’s Electric Vehicle Enclave Park (or EVE Park) in London, Ontario is a net-zero residential project aimed squarely at the EV enthusiast.

True to its name, the development offers electric vehicle charging and a car-share program for residents. Rather than driveways or a ground-level parking lot, each of the condo buildings contains an automated “smart” parking tower that stores vehicles vertically, freeing up space for gardens and landscaping.

Designed for developer s2e Technologies by US architecture firm Gensler, the four circular residential structures can accommodate a combined 84 households. They are positioned and orientated to maximize sun exposure for the mass of solar panels that feed into the community’s “micro-grid.”

CNN Highlights Community Net Metering Project in West 5



Looking Forward



Looking Forward

CEO's Retirement

Vinay Sharma, CEO of London Hydro, has announced his retirement after 26 incredible years of working in the electrical distribution sector and leading London Hydro for the last 15 years. Vinay will retire on August 30, 2024 after 33 years in the electrical utility sector between London Hydro and SaskPower.

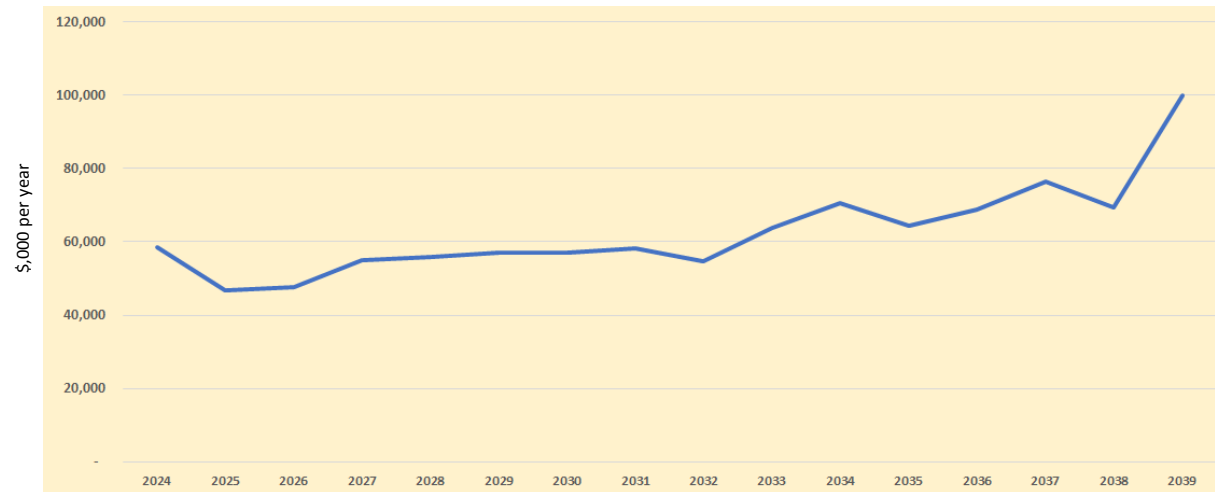




Looking Forward (cont'd)

Anticipating Customer Requirements

1. Launch new CIS in November 2024 – will provide:
 - Increased automation.
 - User-friendly tools.
 - Cloud technology – lower total lifecycle cost and enhanced cyber security.
2. Increasing capital investment in the grid to enable it for increased capacity and for interconnecting energy storage and renewable generation.
3. In the short run, we estimate the need for an increase in transformer station capacity – either a new transformer station or enhanced capacity at the existing stations for enabling the City's growth and economy.
4. Our capital investment will average about \$63M per year going forward.





Looking Forward (cont'd)

2025 And Beyond Vision For A Customer-Centric Energy Transition

1. London Hydro (and other LDCs) are pivotal in enabling Ontario's low carbon economy and drive to meet net zero goals.
2. The annual capital investment in infrastructure and technology is expected to increase by 130% from the current levels to achieve net zero by 2050.
3. London Hydro's (and other LDCs) role will change significantly by adopting new functions like distribution system operator and integration of dispatchable Distributed Energy Resources (DER).
4. The new paradigm will require grid modernization and energy transition to low carbon emissions.
5. There would be emerging services needed by customers such as charging stations, community net metering systems, energy conservation, electricity demand management, and a myriad of behind-the-meter services.

**London Hydro is doing extensive planning to ensure that we are equipped to meet the evolving needs of the future.
As a regulated utility, our scope is limited to regulated services only.**



London
Hydro

Thank you Questions?

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Empowering You.